



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI  
Chief Executive Officer

March 30, 2016

To: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

Board of Supervisors  
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Second District

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Fifth District

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support SB 1219 (Hancock).** This measure would create an employment social enterprise preference for State contracts and revise related definitions in State law. Therefore, unless otherwise directed by the Board, consistent with existing policy to increase: 1) economic opportunities for small businesses; and 2) incentives for businesses to hire unemployed or underemployed workers, **the Sacramento advocates will support SB 1219.**
- **Status of County-Sponsored SB 1008 (Lara)** - related to the extension of the Los Angeles Regional Interoperable Communications System (LA-RICS) project's California Environmental Quality Act (CEQA) exemption, was amended on March 28, 2016.
- **Status of County-Advocacy Legislation**
  - **County-supported AB 1597 (Stone)** - related to time credits for misdemeanor offenders in county jails, passed the Assembly Floor on March 28, 2016.

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- **County-supported AB 1900 (Jones-Sawyer)** - related to the San Pedro Courthouse property, passed the Assembly Judiciary Committee on March 29, 2016.
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### **Pursuit of County Position on Legislation**

**SB 1219 (Hancock)**, which as introduced on February 18, 2016, would create an employment social enterprise preference for State contracts and revise related definitions in State law.

Existing law grants small businesses and microbusinesses a preference in the awarding of State contracts. Current law generally defines a small business qualifying for a preference as an independently owned and operated business that is not dominant in its field of operation, with 100 or fewer employees and with annual gross receipts of \$10.0 million or less. A manufacturer with 100 or fewer employees also qualifies as a small business. Currently, a qualifying microbusiness is defined as a small business with average annual gross receipts of \$2.5 million or less, or a manufacturer with 25 or fewer employees.

SB 1219 would define an employment social enterprise to include a nonprofit, or a for-profit, mission-driven business that: 1) is focused on hiring and assisting people who have significant barriers to employment; and 2) has at least 51 percent of employees with such barriers. The bill would define individuals who have significant barriers to employment as those who have been incarcerated, people who are, or have been, homeless, youth and young adults disconnected from school or work, and people with disabilities, such as substance addiction or mental illness.

County Counsel, the Department of Consumer and Business Affairs, the Internal Services Department, and Community and Senior Services indicate that SB 1219 would not adversely impact the County's Transitional Job Opportunities Preference Program (TJOP). As directed by the Board, County Counsel, in collaboration with other County departments, is currently revising the TJOP program to include a preference for social enterprises. As generally defined by the County, social enterprises would include nonprofit and for-profit businesses that provide for the common good and use the methods and disciplines of business and the marketplace to advance social, environmental, and human justice agendas. The TJOP revised County ordinance also would require qualifying social enterprises to demonstrate that a minimum of 50 percent of workers on a County contract consist of transitional workforce employees. The County would define transitional workforce as those who are underemployed or hard-to-

employ and who may be recently incarcerated, homeless, or otherwise have not worked for an extended period of time.

County Counsel notes that the revised Transitional Job Opportunities Preference Program ordinance does not currently include youth and young adults disconnected from school or work, and individuals with disabilities, such as substance addiction or mental illness, under the category of people who have significant barriers to employment as defined in SB 1219. However, County Counsel reports that the Board-directed TJOP definition of transitional workforce could be interpreted to include such persons. County Counsel indicates that the revised TJOP County ordinance will be written broadly, which will provide the County with the flexibility to include those categorized as having significant barriers to employment under SB 1219.

The Department of Consumer and Business Affairs indicates that SB 1219 would not interfere with the implementation of the Board's direction to increase the County's utilization of local small businesses, social enterprises, and disabled veteran owned businesses. The Department notes that a State social enterprise preference would complement the County's efforts by increasing State contracting opportunities for such businesses in the County.

Community and Senior Services is neutral on SB 1219, but notes that this measure may bring additional resources to local employment social enterprises that provide workforce development services and activities which target populations with barriers to employment.

This office, County Counsel, the Department of Consumer and Business Affairs, and the Internal Services Department support SB 1219. Therefore, unless otherwise directed by the Board, consistent with existing policy to increase: 1) economic opportunities for small businesses; and 2) incentives for businesses to hire unemployed or underemployed workers, **the Sacramento advocates will support SB 1219.**

SB 1219 is sponsored by the Roberts Enterprise Development Fund. Currently, there is no registered support or opposition on file. This measure is scheduled for a hearing in the Senate Governmental Organization Committee on April 12, 2016.

### **Status of County-Sponsored Legislation**

**County-sponsored SB 1008**, which as introduced on February 21, 2016, would Project an extension of the current California Environmental Quality Act (CEQA) exemption from January 1, 2017 until January 1, 2020, was amended on March 28, 2016.

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As amended, SB 1008 would require the LA-RICS Joint Powers Authority to: 1) hold a public hearing before making a determination that an individual project site is exempt from CEQA; 2) file notices of the exemption with the State Office of Planning and Research and the county clerk; and 3) post certain information regarding the environmental review processes on its website. The bill also provides that the CEQA exemption, if granted, would not apply to sites located on school, cultural or sacred sites. These amendments are consistent with requests submitted by then-Assembly Member Lara in a letter to the Assembly Journal related to **County-supported AB 1486** (Chapter 690, Statutes of 2012), which provides LA-RICS with an exemption from CEQA for specified sites through December 31, 2016. The LA-RICS Joint Powers Authority has been and intends to continue complying with these requirements.

SB 1008 is scheduled to be heard in the Senate Environmental Quality Committee on April 6, 2016.

#### **Status of County-Advocacy Legislation**

**County-supported AB 1597 (Stone)**, which as amended on March 9, 2016, would allow misdemeanor offenders in county jails, and those held in county jail prior to sentencing, to earn additional time credits based on educational milestones, passed the Assembly Floor by a vote of 54 to 17 on March 28, 2016. This measure now proceeds to the Senate.

**County-supported AB 1900 (Jones-Sawyer)**, which as introduced on February 11, 2016, would declare the San Pedro Courthouse property available for disposal and sale by the State, passed the Assembly Judiciary Committee, with amendments, by a vote of 7 to 0 on March 29, 2016. The amendments, accepted in the committee, would clarify that the Judicial Council would comply with existing law in executing the sale of the property; specifically, that it will take into consideration whether the planned use of the facility, after its sale, would sufficiently benefit the local community. This measure now proceeds to the Assembly Appropriations Committee for consideration.

We will continue to keep you advised.

SAH:JJ:MR  
VE:IGEA:ma

c: All Department Heads  
Legislative Strategist